

# AGRICULTURAL DEVELOPMENT AUTHORITY[25]

## Adopted and Filed Emergency After Notice

Pursuant to the authority of Iowa Code sections 175.2(2) and 175.6(14), the Agricultural Development Authority amends Chapter 2, “Beginning Farmer Loan Program,” and Chapter 6, “Beginning Farmer Tax Credit Program,” Iowa Administrative Code.

The amendments amend the definitions for “eligible applicant” and provide for an annual recalculation of the maximum allowable net worth for the Beginning Farmer Loan Program and the Beginning Farmer Tax Credit Program.

Notice of Intended Action on these amendments was published in the Iowa Administrative Bulletin on December 12, 2012, as **ARC 0515C**. No comments were received from the public. These amendments are identical to the amendments published under Notice.

Pursuant to Iowa Code section 17A.5(2)“b”(2), the Authority finds that the normal effective date of these amendments, 35 days after publication, should be waived and the amendments made effective January 16, 2013, as they confer a benefit upon the public by allowing more individuals to qualify and allowing quicker compliance with the legislative mandate in Iowa Code section 175.2(1)“m”(1).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 175.12.

These amendments became effective January 16, 2013.

The following amendments are adopted.

ITEM 1. Amend rule **25—2.1(175)**, definition of “Eligible applicant,” as follows:

*“Eligible applicant”* means an individual who ~~is has~~ a net worth of not more than the maximum allowable net worth for calendar year 2013 of \$691,172. The maximum allowable net worth for each calendar year shall be increased or decreased as of January 1 of such calendar year by an amount equal to the percentage increase or decrease (September to September) in the United States Department of Agriculture “Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates” reported as of October 1 of the immediately preceding calendar year. The applicant must also be a beginning farmer, as defined in Iowa Code section 175.12, who satisfies all of the criteria contained in the Act and provisions of these rules relating to recipient eligibility and who operates or will operate a farm.

ITEM 2. Amend rule **25—6.1(175)**, definition of “Eligible applicant,” as follows:

*“Eligible applicant”* means an individual who has a net worth of ~~less not more~~ than \$343,000 ~~the~~ maximum allowable net worth for calendar year 2013 of \$366,324. ~~The maximum net worth will be indexed annually based on the October 1 annual change in the United States Department of Agriculture’s Prices Paid by Farmers Index.~~ The maximum allowable net worth for each calendar year shall be increased or decreased as of January 1 of such calendar year by an amount equal to the percentage increase or decrease (September to September) in the United States Department of Agriculture “Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates” reported as of October 1 of the immediately preceding calendar year. The applicant must also satisfy all of the criteria contained in Iowa Code section 175.37 and provisions of these rules relating to recipient eligibility and must operate or intend to operate a farm.

ITEM 3. Amend rule **25—6.1(175)**, definition of “Taxpayer,” as follows:

*“Taxpayer”* means a person or entity who may acquire or otherwise obtain or lease agricultural land in the state pursuant to Iowa Code chapter 9H or 9I. An individual may claim a tax credit of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed shall be based upon the pro-rata share of the individual earnings from the partnership, limited liability company, S corporation, estate, or trust. A taxpayer must also meet the requirement of ~~2006 Iowa Acts, Senate File 2268, section 2~~ Iowa Code section 175.37.

ITEM 4. Amend subrule 6.2(1) as follows:

**6.2(1) Eligibility.** To qualify for this credit, the taxpayer must meet all the requirements of Iowa Code chapter 9H or 9I, ~~2006 Iowa Acts, Senate File 2268, section 2~~ Iowa Code section 175.37, and these rules. The beginning farmer must meet all the requirements of Iowa Code section 175.12 and these rules.

ITEM 5. Amend subrule 6.5(1) as follows:

**6.5(1)** Either the beginning farmer or the taxpayer shall immediately notify the authority of any material changes in the agricultural assets transfer agreement. The authority shall act upon these changes pursuant to ~~2006 Iowa Acts, Senate File 2268, section 2~~ Iowa Code section 175.37. Material changes cannot result in an increase in the original tax credit amount approved. Death of a party to the lease, divorce, or sale of the property will be considered eligible material changes. Sale of the property will be considered only if the original lease terms remain in effect and the asset purchaser is determined to be eligible for the program.

ITEM 6. Amend **25—Chapter 6**, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapter 175 ~~as amended by 2006 Iowa Acts, Senate File 2268.~~

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/6/13.